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# REVIEW OF THE IMPLEMENTATION OF THE CONVENTION AND OF DECISIONS OF THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES

## ACTIVITIES IMPLEMENTED JOINTLY: ANNUAL REVIEW OF PROGRESS UNDER THE PILOT PHASE

Progress report on activities implemented jointly
Note by the secretariat

Addendum*

## TABLES

**Table 1. AIJ by country partners**

| Country partners | Australia | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|
| Belize | | | see footnote[a] | | 1 implemented forest preservation project |
| Bhutan | | | 1 planned renewable energy project | | |
| Costa Rica | | | | | 4 planned renewable energy projects[b]<br>1 planned forest restoration project<br>1 implemented forest restoration project<br>1 implemented forest preservation project<br>1 planned afforestation project |

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* This addendum contains all tables referred to in document FCCC/CP/1996/14.

Table 1. *(continued)*

| Country partners | Australia | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|
| Czech Republic | | 1 planned fuel switching project | 1 implemented forest preservation project | | 1 planned fuel switching project |
| Ecuador | | | 1 implemented reforestation project | | |
| Honduras | | | | | 1 planned renewable energy project<br>1 implemented renewable energy project |
| Hungary | | | 1 implemented fuel switching project<br>1 implemented energy efficiency project | | |
| Indonesia | | 1 planned renewable energy project | | | |
| Jordan | | 1 energy efficiency project[c] | | | |
| Latvia | | 1 implemented renewable energy project<br>1 planned energy efficiency project | | | |
| Malaysia | | | 1 afforestation project[d] | | |
| Mexico | | | | 1 implemented energy efficiency project | |
| Nicaragua | | | | | 1 planned renewable energy project |
| Poland | | | | 2 planned fuel switching projects | |
| Portugal | | 1 planned renewable energy project | | | |
| Russian Federation | | 1 planned gas power plan[e] | see footnote[f] | | 1 implemented afforestation project<br>1 planned fugitive gas capture project |
| South Pacific region | 1 planned energy efficiency project<br>1 planned renewable energy project | | | | |
| Uganda | | | 1 afforestation project[g] | | |

[a] Submission refers to a proposed afforestation project, but no details are provided.
[b] One of these projects was scheduled for implementation in the spring of 1996.
[c] Project description does not indicate whether project is planned or implemented.
[d] Project description does not indicate whether project is planned or implemented.
[e] Unclear from submission whether project involves converting an existing plant or building a new plant.
[f] Submission refers to a project in the Russian Federation, but no details are provided.
[g] Project description does not indicate whether project is planned or implemented.

**Table 2. AIJ project summary**

| Investor/sponsor country | Australia | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|
| Total number of projects | 2 | 7 | 6 | 2 | 15 |
| Host countries | South Pacific region | Czech Republic, Indonesia, Jordan, Latvia, Portugal, Russian Federation | Bhutan, Czech Republic, Ecuador, Hungary, Uganda | Mexico, Poland | Belize, Costa Rica, Czech Republic, Honduras, Nicaragua, Russian Federation |
| Project type | | | | | |
| Energy efficiency | 1[a] | 2 (1[a], 1[c]) | 1[b] | 1[b] | |
| Fuel switching | | 2 (1[a], 1[b]) | 1[b] | 1[b,e] | 1[a] |
| Resource exploitation fugitives | | | | | 1[a] |
| Renewables | 1[a] | 3 (2[a], 1[b]) | 1[a] | | 7 (6[a] 1[b]) |
| Afforestation | | | 2[b] | | 2 (1[a] 1[b]) |
| Reforestation/restoration/ preservation | | | 1[b] | | 4 (1[a] 3[b]) |
| Gases concerned | $CO_2$ | $CO_2$ | $CO_2$, precursors | $CO_2$, precursors | $CO_2$, $CH_4$, precursors |

[a] Project is in the planning stage.
[b] Project is in the implementation stage.
[c] Project description does not clarify whether project is planned or implemented.
[d] Not clear from submission whether this project converts an existing plant to natural gas, or is building a new plant.
[e] One project implemented at two separate sites.

**Table 3. Consistency of reports with reporting framework[a]**

| Reporting criterion | Australia | Canada | Germany | Netherlands[b] | Norway | United States |
|---|---|---|---|---|---|---|
| Report received from host country, or joint report received | no | no projects reported | no | joint report received with Hungary, draft reports submitted to host governments for prior approval[c] | no, but agreement with report received from one host country | no |
| Type of project reported | yes | | yes | yes | yes | yes |
| Identification of all actors involved | no | | limited information | yes | yes | yes |
| Institutional arrangements described | no | | no | limited | yes | yes |
| Actual costs described | no | | no | partial | extensively | yes - but not verified by reporting Party |
| Technical data provided | minimal | | basic | extensive | extensive | extensive |
| Long-term project viability discussed | no | | no | yes | economic viability discussed, emissions longevity not discussed | yes |
| Project location reported | on regional, not country, level | | yes | yes | yes | yes |
| Project lifetime reported | no | | no | yes | not for all projects | yes |
| Mutually agreed upon project assessment procedures discussed | no | | no | no | yes | yes |
| Governmental acceptance, approval, or endorsement of project reported | no | | no | yes | yes | yes |
| Discussion of consistency with development, socio-economic, environmental priorities | no | | no | yes | yes | yes |
| Benefits derived from project discussed including emissions reduction additionality | minimal | | limited | extensive | extensive | extensive |
| Calculation of contribution of project provided | no | | total reduction estimate only | methods and calculations provided in detail | methods and calculations provided in detail | methods and calculations provided in detail |
| Financial additionality of projects discussed | no | | no | yes | yes | yes |
| Contribution of projects to capacity building and technology transfer discussed | no | | no | yes | yes | yes |

[a] The AIJ programmes of Australia, Canada and Germany are in early development stages, which, in the short time available, may have impaired their ability to report in a manner fully consistent with the reporting framework.

[b] A portion of the Netherlands' report was prepared before the adoption of the reporting framework and has not yet been updated.

[c] Letters of support for report received by Netherlands Government from Costa Rica, Ecuador and Uganda.

**Table 4. Project criteria comparison**

| Project criterion | Australia | Canada | Germany | Netherlands | Norway[a] | United States |
|---|---|---|---|---|---|---|
| **Berlin decision criteria:** | | | | | | |
| AIJ should bring about real, measurable and long-term environmental benefits related to the mitigation of climate change that would not have occurred in the absence of such activities | project should involve specific measures to reduce net GHGs initiated as a result of AIJ | activities must result in measurable reductions of net GHG emissions | AIJ must result in actual, measurable and lasting environmental benefits related to the reduction of climate change | minimum annual sequestration requirements for forests | project reports deal with the real, measurable nature of benefits, as well as additionality, long-term benefits are not clearly evaluated | yes |
| Financing of AIJ shall be additional to financial obligations of Annex II Parties within the framework of the financial mechanism and regular ODA flows | must be additional to ODA and other sources under UNFCCC | activities should be financed outside existing ODA | in addition to commitments within FCCC framework and to current public developmental assistance | additional to GEF as well as current ODA | project reports deal with additionality, AIJ funding is an incremental portion of otherwise funded projects | must be additional to: GEF, multilateral development bank, ODA, or in excess of U.S. federal funding level in 1993 |
| AIJ should contribute to cost-effectiveness in achieving global benefits | | | | yes, for forestry projects | | encourage the development of cost-effective projects |
| AIJ should be compatible with and supportive of national environment and development priorities and strategies | host country Government must accept project as consistent with national priorities | | must be reconcilable with relevant national environmental and developmental policy priorities | must be compatible with and supportive of national environment and development priorities | discussed for each reported project | should support development goals of host country |
| AIJ require prior acceptance, endorsement, or approval by the Governments of the Parties participating in these activities | yes | yes | yes | yes | obtained and discussed for each reported project | yes |
| No credits shall accrue to any Party as a result of greenhouse gases reduced or sequestered during the pilot phase | | no emission reduction credits can be claimed by the country of an investing entity against its domestic stabilization commitment to the year 2000 | during the pilot phase, parties are not permitted to credit emissions reductions achieved | will not use AIJ for its present commitments under the FCCC | there are no credits to be accrued during the pilot phase | ---- |

*(continued overleaf)*

Table 4. *(continued)*

| Project criterion | Australia | Canada | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|---|
| **Additional criteria added by Parties:** | | | | | | |
| Project was initiated specifically for AIJ purposes | project should involve specific measures initiated as a result of AIJ | | | projects should be economically sound and would not have been set up without additional AIJ funding | the scope of the project must be enlarged due to AIJ investments | technology or practice must not have been introduced in the region without AIJ, or else only incremental reductions are counted |
| Project contract required for private sector projects | | | | yes | | |
| Emission reductions are required to be verifiable, including baseline calculations | yes | measurable reductions required | actual and measurable benefits required | yes | extensive discussion for each reported project | verification plan and independent third party replicability required |
| Emissions monitoring programme required | a high degree of transparency should exist | | | yes | detailed programme for each reported project | monitoring plan required |
| Emission reductions are required to be sustainable | | | lasting benefits required | yes | | yes |
| Periodic reassessment of emission reduction estimates | explicit requirement | | | addressed through monitoring programme | addressed through monitoring programme | explicit requirement |
| Analysis of other environmental impacts required | need to account for impacts | | | projects should lead to clear beneficial local environmental impacts | analysis provided for each reported project | impacts should be identified |
| Analysis of social impacts required | need to account for impacts | | | project must contribute to the socio-economic position of the local population | | impacts are considered |
| Project must be consistent with sustainable development principles | yes | | | projects require sustainable forestry and energy policies | | |
| Project should include a training component in host country | | | | yes | | |
| Regular reporting required | | | reporting required, no interval specified | periodically, annual AIJ report to the Parliament | included in project evaluation plans | annually |

[a] Norway's report did not identify general project criteria; the information presented is derived from the criteria actually applied to the reported projects.

**Table 5. National programme features**

| Programme element | Australia | Canada | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|---|
| Process for registration and certification of AIJ projects | | voluntary registration process | | registration process, and companies may use certified reductions as part of future agreements with government, as well as tax incentives | no private sector projects | groundrules and criteria for AIJ promulgated, no emission reduction certification in prospect |
| Formal Government support for AIJ | | government takes on the role of facilitator and promoter of the concept of AIJ | | special budget of US$48,988,800 between 1996-1999 for AIJ in Central and Eastern Europe and developing countries | 1995 report to Parliament concludes that AIJ will be given priority as an important supplement to domestic measures | a key feature is the use of a voluntary, market-based approach to facilitate partnerships |
| Government entities involved | Bureau of Industry Economics | interdepartmental steering committee of federal departments, Canadian Joint Implementation Initiative Office | Ministry of Environment, CO2 Reduction Interministerial Working Group, Joint Implementation Coordinating Office | Cabinet, Ministries of Environment, Economic Affairs, Foreign Affairs | Ministry of Foreign Affairs, Department of Natural Resources and Environmental Affairs | Environment Protection Agency, Agency for International Development, Departments of Agriculture, Commerce, Energy, Interior, State, Treasury |
| Emphasis on reduction technologies | energy efficiency and the use of renewables | | enhancing energy efficiency in supply, demand, and production, exploiting potential of renewable energy | strive for a broad range of projects, including geographic distribution, types of technology, and different GHGs | promote a broad range of projects with a view to maximum learning value | promote a broad range of projects |
| Emphasis on sink creation | | | yes, but main focus should be on reduction measures | several projects to date are in this sector | promote a broad range of projects | promote a broad range of projects |
| Dual accounting system to keep AIJ reductions separate from domestic reductions | | | | separate reporting to parliament on AIJ and domestic reductions | | |

*(continued overleaf)*

Table 5. *(continued)*

| Programme element | Australia | Canada | Germany | Netherlands | Norway | United States |
|---|---|---|---|---|---|---|
| Role of private sector | | broad participation by private sector encouraged as a complement to domestic actions | discussions between Government and all industrial sectors to initiate AIJ projects | private sector invited into pilot phase, programme includes incentives to encourage private sector participation | private sector involvement may provide further resources, experience, and enlarge leverage effect of AIJ | private sector investment and innovation encouraged |
| Outreach efforts | newspaper advertisement soliciting project proposals | Climate Change Voluntary Challenge and Registry Program, workshops | descriptive brochure | Joint Implementation Quarterly, funding conferences and workshops, set up JI Service Centre | workshops with potential host countries, sponsoring conferences | bilateral and multilateral statements of intent on AIJ, sponsoring workshops, conferences, fax information service, International Partnerships Report newsletter, JI online website |
| Development of JI protocol suggested | | | | yes | | |
| Credits proposed after 2000 for projects begun during pilot phase | | yes | | yes | | |
| Programme linked explicitly to AGBM process | | | | in favour of using JI for realizing future commitments | | |

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